WHAT CAN COMPANIES DO TO MAKE THEIR BRAND STRONGER?

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***Abstract*:**

The development of the information technology and of the Internet has created the perfect environment for the companies to reach their client easier and faster. Until the middle of the '90 there were only several dozens of global brands. Today with the help of this new tool, the Internet, the number of global brands has increased exponentially. This paper presents the importance of having a strong brand, it presents several aspects with regard to what brand represents, it points out what are the main factors for creating brand value. Another important aspect that this paper presents are the four steps that a company must undertake in order to have a powerful brand in the context of the global market and of stronger and stronger competition.

Keywords: *brand, brand management, brand value, marketing*

1. Introduction

In the last decades the markets are changing at a faster and faster pace. The development of the new information technologies and especially the development of the Internet in the last two decades have lead to the strong development of the global market. In the digital age, the organizations should take advantage more and more of the power and the edge offered by the information technology, in order to inform the present or potential clients or consumers in a better and faster way (Gorski and Fuciu, 2009).

The development of the communication technology case created a perfect environment for the companies to reach the clients in faster and easier way but at a global level. Today we can reach a client in a matter of seconds every day at every hour of the day with just a few clicks of the mouse. Marketers have been using electronic tools for many years, but the Internet and other new technologies created a flood of interesting and innovative ways to provide customer value. This new way of reaching the costumers has captured the imagination of marketing scholars and practitioners.

The Internet age has created a way for the companies to present their products and services without the clients to leave their houses or places of work. The brands are omnipresent; they address us directly in public and online and subtly in the most intimate places of our lives. The history of using the brands in the marketing activities marks the efforts of the goods and services producers and of the sellers in order to enrich the arsenal of marketing tools within the market and bring forth new ways of communication with the client (Balaure et. all, 2002).

2. What do brands mean for consumers and companies

A brand is a name or trademark connected of a product / service or producer. Brands have become increasingly important components of culture and the economy, now being described as "cultural accessories and personal philosophies". It was in the 1950s and 1960s that the theory of brands and brand image evolved in the West, accompanying a period of tremendous economic growth. This was based around "the total personality of a brand, rather than any trivial product difference which decides its ultimate position in the marketplace", as David Ogilvy put it at the time (Blair et all, 2003).

In today's informational environment, the brand stimulates the client's desires and using the advantages given by the new technologies no one can escape their influence. The brand are emblems of the global economy, they advance faster than the financial markets and are more visible than every place in the world.

The perception is probably the most important aspect of a brand; it determines the success or the failure of a product or a service. The clients are largely and subconsciously position the products, the services and the other consumers according to they what they wear, or drive etc. Due to perception, the brands save the client time. They help us with the challenges of the global market, were we have thousands upon thousand of products and service, with classifying and with weighing everything up before we make a decision. They are an established, unmistakable mental representation of a product of service in the mind of potential consumers (Meffet and Burmann, 2000).

The companies must understand the need for using the Internet and the new information technologies in order too strengthens their brands. But before that cane happen the managers and companies have to have a proper brand orientation. The brand orientation is a deliberate approach to working with brands, both internally and externally. The most important driving force behind this increased interest in strong brands is the accelerating pace of globalization. This has resulted in an ever-tougher competitive situation on many markets. A product's superiority is in itself no longer sufficient to guarantee its success. The fast pace of technological development and the increased speed with which imitations turn up on the market have dramatically shortened product lifecycles. The consequence is that product-related competitive advantages soon risk being transformed into competitive prerequisites. For this reason, increasing numbers of companies are looking for other, more enduring, competitive tools – such as brands. Brand orientation refers to "the degree to which the organization values brands and its practices are oriented towards building brand capabilities" (Bridson and Evans, 2004)

There are several aspects that the companies have to take into consideration when they want to develop their brands over the Internet (Reisenback and Perrey, 2007):

- *Brands can immunize* – companies that have continually built and promoted their brands in a well founded way can survive a media attack without much damage. The development of on line media, and of the blogs, and social networks can be a powerful tool for those that want to harm a company or a certain product or service. A good example is Coca-Cola that has survive a strong attack within several weeks, when in 1999 a scandal over contaminated cans has surfaced in Belgium;
- *Brands generate strong impressions and powerful feelings.* When consumers see or hear about Marlboro, they immediately associate it with freedom and adventure, the cowboy riding across the plains or the Coca-Cola red bottle makes everybody feel thirsty (Fischer et all. 2002).
- *Brands generate tangible value.* They create price premiums, help to recruit best talent, and save sales costs due to their attraction for the customer.

3. Three factors that determine the brand's added value

The added value of a brand is determined by three important factors that increase the perception for the consumer and thus fore leads to more acquisitions and to value for company (figure 1):

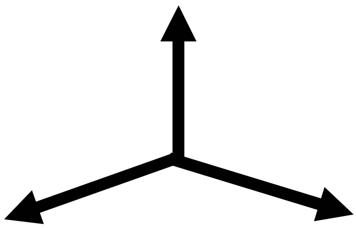
- *Image benefit.* Brands helps consumer express who they are, they contribute to the development of self-esteem or develop allegiances to others or to social groups. For example today you have to have an e-mail account or a Facebook, Hi5, MySpace page.
- *Information efficiency.* Brands are information carriers. They say something about the quality of the product or service, they help with recognition and with maybe orientation.
- *Risk reduction.* The brands reduce the risk for the consumer to make the wrong choice in buying a product or a service.

High-powered brands need a powerful content at an emotional level as well as at a rational level and at an image that remains consistent over many years without ever becoming outdated.

Top brands must maintain and develop their strength by tracking their status permanently in accordance with qualitative criteria, such as their image, and quantitative indicators, such as market share and customer loyalty. Strong brands are also executed in a consistent and effective manner, as reflected in the marketing and through the actions of the entire organization, starting from the top managers down to the shop-floor staff. Only several brands have been able to achieve this balance and maintain it over the years. Top brands do not usually excel in all three disciplines, as already mentioned. Instead, they tend to have one or two areas where they really shine, and they keep plowing away at the other areas (Reisenback and Perrey, 2007).

Image benefit

Brands have an ideational value:
- Self realization;
- Self representation;
- Identification.



Risk reduction

Brands reduce the risk of wrong decision
- Safety;
- Continuity;
- Trust.

Information efficiency

Brands facilitate information processing:
- Provenance;
- Interpretation;
- Recognition.

Figure 1. Brands fulfill three basic functions
(Reisenback and Perrey, 2007)

Strong brands that get the trinity of *art, science,* and *craft (*Power brands, 2010*)* right, have such power over customers that, in extreme cases, they can even function successfully without any research and development, production, logistics, or sales of their own.

- *Art* - s an important element of successful brand management. And surely everybody loves a creative TV commercial or print ad. We remember them and tell our friends about them. But is creative advertising really the universal remedy the gurus say it is? Does it work? Can it make weak brands stronger, or turn shelf warmers into best sellers? The short answer is: yes. Other things being equal, creative advertising creates higher impact than boring advertising. But that's a truism, and it's not the full story.
- *Science* - Brand portfolio management is a game of give and take. Modernizing a brand may help to get the attention of a new customer segment, but shoo away some traditionalists. Emotionalizing a brand may deter the rationalists, but increase the loyalty of its core target group. Ultimately, it's all

about hedging gains and losses: A brand can grow by capturing market share from the competition, but it may also cannibalize the company's own brands.

- *Craft* – Many specialists state that probably half of the company's advertising funds are wasted, and that it's impossible to know which half. But why should the company bother, as long as the budget is big enough? Because in the real world, funds are limited and trade-offs must be made. The good news is that recent analytical advances can help companies to increase efficiency without impairing their brands or sales. Of course, it all starts with the relevant message for your target group. But once the message is defined, creatively executed, and thoroughly presented, how do you select the appropriate touch points and allocate your budget for maximum effectiveness and efficiency?

Branded companies such as Red Bull, Adidas, and Porsche can ignore certain parts of the value chain altogether, outsourcing certain steps to third parties without damaging perception of the brand. Red Bull, for example, has concentrated from the very beginning on the concept of the drink and its communication. The company does not own a single bottling plant, warehouse, or delivery truck (Ulrich, 2003).

It is without a doubt the case that brands such as Adidas, Red Bull or Porsche are extremely priced assets for the company, but for those that are not as successful the question rises: How does one develop a strong brand?

4. Four steps in developing a powerful brand

Over the years, the development of the market and the development of the communication technologies has created for the client an environment were he has access to a very large quantity of information. If at the beginning of the 21st Century, the main way of communication were the newspapers and the radio, and later at the beginning of the '50 the TV appeared, in the late '90 the internet, the mobile phones, cable TV, and other new technologies have emerged.

In this context, in order to develop a powerful brand with a long lasting effect on the market, the managers have to take several steps into consideration (1) Mastering brand management; (2) Measuring the brands; (3) Making the brands and (4) Managing the brands.

Mastering brand management – There are many rumors that surround the process of creating and developing a brand than any other area of business management. This is because the art of a brand creates a connection with the consumer; it appeals to the emotions, and develops a resonance, that it is hard to quantify. Nonetheless, despite the undoubted importance of art, powerful brands are rarely developed by art alone, but by a careful mix of art, science, and craft; the role of science and craft in this mix often being underestimated. Managing brands in the modern marketplace, in the new context provided by the globalized economy is very demanding. The company's internal departments often do not have the necessary skills for the analytical side of this task and are sometimes overwhelmed by the demands placed upon them by the market (competitors and clients) and by the managers. As a result, instead of being presented with analytically well founded concepts, the managers receive very often nothing but a compilation of numbers that do not point to any kind of concrete recommendation.

This lack of clarity states that even where the services of well established market research institutes are used, their work does not capture the attention of senior management, however much it might deserve to do so. Top managers require the integration of art, science, and craft for systematic, fact-based brand management. This requires creating a degree of transparency that has so far been lacking in the branding world. This transparency is essential if management boards are to base their brand management decisions on sound foundations.

Measuring the brands – when a company desires to measure the brand, the starting point should always be a thorough market research of the current perception of the brand, from the point of view of both established customers and potential new customers. This provides answers to the often neglected question of whether and to what extent it is worthwhile to develop brands in a certain sector. The *McKinsey brand diamond* is a framework for conducting a complete (image) analysis of all of a brand's emotional and rational factors to reveal what the brand represents to customers and non-customers (Reisenback and Perrey, 2007).

The *brand purchase funnel* assesses the strength of the brand in comparison with competing brands, from the point of the initial awareness of the consumer to that of repeat product purchase by loyal customers. It also helps to identify which brands in a brand portfolio will be the most effective in reaching a target group of customers. Brand loyalty is not just simple repurchasing of a product or of a service. Customers may repurchase a brand due to situational constraints (such as vendor lock-in), a lack of viable alternatives, or out of convenience (Jones et. all, 2002).

Using the *brand potential approach,* brand managers can quantify the brand sales potential embedded in the purchase funnel and reallocate their brand investments in order to tap this potential.

Making the brand – considering the results of the brand analysis, the next step is to identify what actions need to be undertaken to in order build a powerful brand. First, the *analysis of brand, drivers* will help identify those factors and customer needs that distinguish strong brands from weak ones in the purchase funnel. The next step is to set up a *pathway analysis.* This transforms abstract brand elements into practical and understandable terms, for instance, for the creative brief. *Brand portfolio management:* While the professional management of a single brand requires the right mix of *art, craft,* and *science,* the task of managing an entire portfolio of brands is substantially more complex (Hirn and Neukirchen, 2001).

Managing the brands – once the desired brand has been created using the above-mentioned tools, the new or improved brand content will need to be put in place. This requires identifying the best budget and suitable media outlets. This is the basic concept of *marketing return on investment (ROI).* The *brand cockpit* then ensures that the main criteria for brand success are continually measured and assessed. Finally, in order for brand management to remain a top management priority, an appropriate *brand organization* is needed. The brand organization concept explores the range of alternative organizational structures that can develop effective and efficient processes to integrate all business units around the goals of brand management (Reisenback and Perrey, 2007).

5. Conclusions

The brand has become a more and more important player in the field of marketing. The development of advertising techniques has brought the brand on the front row of marketing. Companies and marketers alike must understand that the brand name is along side advertising probably the most important element of the marketing promotion policy. The development of the communication technology has created not just the means but also the environment for the brand to become a vital tool for attracting the clients and turning them into consumers and vivid supporters of the company's product or services.

This paper presents the importance for managers to understand what a brand really is, what it can do and what are the effect of creating and having a powerful brand at your disposal. Consequently the managers must understand that a strong brand is an immunizer, it generates feelings from consumers and creates value for the consumer and for the company. We also must be aware of the fact that a strong brand can be created by mastering brand management, by measuring the brand by making the brand and by managing it. The brand will continue to be the most important visible element of the market and in order to ensure the success of a company; the managers must find ways of maintaining their brand on top, to always improve them and to always offer the client what they want and need.

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